

**ANNUAL REPORT
OF THE
COMMISSION ON MILITARY AND
VETERANS AFFAIRS**



**Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204**

October, 2006

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2006

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COMMISSION ON MILITARY AND VETERANS AFFAIRS

Membership Roster

Representatives

Rich McClain, Chairperson
Logansport

Matt Whetstone
Brownsburg

Ben GiaQuinta
Fort Wayne

Scott Reske
Pendleton

Senators

Thomas Wyss
Fort Wayne

Allen Paul
Richmond

Allie Craycraft
Selma

Timothy Skinner
Terre Haute

Laymembers

Lloyd Arnold
Leavenworth

John Dahman
Fort Wayne

Joe Ryan
Noblesville

Ken Hodges
Bedford

Staff

Sarah Freeman
Attorney for the Commission

Sarah Brooks
Fiscal Analyst for the Commission

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.in.gov/legislative/>.

I. STATUTORY DIRECTIVE

The Indiana General Assembly enacted legislation (IC 2-5-20) directing the Commission on Military and Veterans Affairs ("Commission") to study the following:

- (1) Matters relating to veterans and veterans' affairs.
- (2) Matters relating to the active and reserve members of the armed forces of the United States.

The Commission may also study other topics as directed by the Commission's chair.

The Legislative Council assigned no additional topics.

The Commission is required to report the results of the Commission's study to the General Assembly before November 1 of each year.

The Commission consists of 12 members: four representatives; four senators; and four lay members. The chair of the Legislative Council appoints the chair of the Commission.

II. INTRODUCTION AND REASONS FOR STUDY

The Commission met on October 4, 2006, and again on October 25, 2006, to carry out its responsibilities under IC 2-5-20.

III. SUMMARY OF WORK PROGRAM

The Commission held its first meeting on Wednesday, October 4, 2006, at 10:00 a.m. in Room 130 of the State House. The Commission heard presentations from Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs, Representative Matt Whetstone, and Colonel Joe Ryan, U.S. Army (Ret.). The Commission also received public testimony and discussed the presentations.

The Commission held its second meeting on Wednesday, October 25, 2006, at 10:00 a.m. in Room 130 of the State House. The Commission approved preliminary draft legislation concerning military and veterans' affairs, and approved the annual report.

IV. SUMMARY OF TESTIMONY

The following is a general summary of testimony presented at the 2006 meetings of the Commission. The complete minutes of the meetings and the related exhibits are available from the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana, and on the Internet at the General Assembly homepage at <http://www.in.gov/legislative/>.

A. October 4, 2006, Meeting

Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs (IDVA), presented IDVA's proposed changes to Indiana's veterans affairs law: (1) Amend the employment criteria for certain employees of IDVA. (2) Amend the employment criteria for local service officers. (3) Permit powers of attorney for the prosecution of veterans benefits to run to local service officers or IDVA. (4) Amend the criteria for tuition exemptions for children of veterans. (6) Define the term "veteran" for purposes of determining eligibility for certain state benefits.

Representative Matt Whetstone distributed a document entitled "Supporting Hoosier Military", which listed seven legislative proposals: (1) Exempt 100% of military income received by members of the National Guard or the United States armed forces who are on active duty. (2) Increase from \$2,000 to \$5,000 the military income tax deduction for active duty military personnel residing in Indiana. (3) Extend eligibility for the military family relief fund ("fund") to all Indiana military personnel on active duty. (4) Create a check-off on the state income tax return form for voluntary contributions to the fund. (5) Add child care expenses to the list of covered expenses under the fund. (6) Include veterans of the Korean crisis and the Vietnam conflict in the delayed high school diploma program. (7) Limit public access to military discharge records.

Colonel Joe Ryan, U.S. Army (Ret.), presented the legislative objectives of the Military Veterans Coalition of Indiana: (1) Establish and fund a veterans affairs trust study committee. (2) Exempt 100% of military income. (3) Reimburse Indiana's recipients of the Congressional Medal of Honor for travel and other expenses incurred when they participate in civic and patriotic events. (4) Create a \$500 combat service bonus. (5) Create a \$150,000 special death benefit for the families of Indiana soldiers who die in connection with their military service.

Mr. David Havely, Adjutant and Quartermaster of the Indiana Department of the Veterans of Foreign Wars, urged the Commission to address the difficult issues facing it, such as identifying funding sources for the proposed veterans programs and benefits.

Mr. John Dahman stated that he has served on the Commission since its inception in 1992 and is proud of its work.

B. October 25, 2006, Meeting

The Commission reviewed and endorsed the concepts in PD 3460 concerning military tax benefits and the military family relief fund. Colonel Ryan stated that all members of the military should be treated equally for tax purposes. Mr. Ron Martin, Chairman, Indiana Veterans Coalition advocated creating tax incentives for members of the military to reside in Indiana. Colonel Ryan, Mr. Martin, and Mr. Rick Hahn all noted that members of the military who choose to live in Indiana will pay other state taxes and spend their disposable income in Indiana.

The Commission discussed PD 3464, which provides priority for job training for members of the National Guard and their spouses. Mr. Steve Short questioned whether the priority for job training includes members of the Indiana Guard Reserve, which it does not.

The Commission discussed and received public testimony on PD 3513. Representative Scott Reske and Senator Allie Craycraft suggested that the \$150,000 special death benefit included in PD 3513 apply to members of both the active and reserve components of the National Guard and armed forces who die in the line of duty. Mr. Havelly and Mr. Don Myers, U.S. Marine Corps (Ret.), agreed that the benefit should apply equally to all members of the military.

After receiving testimony from Mr. Martin, Colonel Ryan, and Mr. Applegate, the Commission agreed to delete language in PD 3513 allowing certain employees of IDVA and local service officers to be members of the military who were discharged under honorable conditions. In response to testimony from Mr. Martin, the Commission also deleted a requirement in PD 3513 that a medal of honor awardee reside in Indiana to be eligible for reimbursement of expenses, instead leaving the eligibility determination to IDVA. Based on input from Representative Reske and Mr. Applegate, the Commission then amended the sections of PD 3513 that specify the individuals eligible for benefits administered by IDVA.

The Commission then discussed the \$500 payment to members of the National Guard or armed forces who served on active duty after September 10, 2001. Mr. Martin recommended that members who served in the Persian Gulf War also be eligible for the payment. After considering Representative Whetstone's comment that inclusion of these members would increase the fiscal impact of PD 3513, the Commission agreed to limit eligibility to members who served in the Persian Gulf War between August 2, 1990, and November 30, 1995, or after September 10, 2001, and added language limiting each member to one \$500 payment.

Mr. Dick Loney, Mr. Myers, and Mr. Carl Edwards testified in support of extending the high school diploma program for eligible veterans to veterans of the Korean and Vietnam conflicts. Mr. Book, expressed his support for creating a veterans' affairs trust fund. Senator Craycraft wished the Commission good luck, and Colonel Ryan and Mr. Dahman thanked the Commission for its good work.

V. COMMITTEE FINDINGS AND RECOMMENDATIONS

Preliminary Drafts: The Commission endorsed the concepts in PD 3460 (concerning military tax benefits and the military family relief fund). The Commission approved PD 3464 (concerning priority for job training for members of the National Guard and their spouses) without change. The Commission amended and approved PD 3513, which addresses the following:

- Employment criteria for IDVA employees and local service officers.
- Reimbursement of certain expenses of medal of honor awardees.
- Powers of attorney for prosecution of veterans' benefits.
- Eligibility for benefits administered by IDVA.
- \$500 payment for active duty service during Persian Gulf War and after September 10, 2001.
- \$150,000 special death benefit.
- Eligibility for tuition exemption for children of veterans.
- Expansion of high school diploma program to include veterans of Korean and Vietnam conflicts.

- Study of veterans' affairs trust fund.

Adoption of Annual Report: It was properly moved and seconded that the draft annual report, after being updated for the October 25 meeting, be approved. With seven members present, the motion passed with a voice vote and with no members voting against.

WITNESS LIST

- Mr. Tom Applegate, Director of the Indiana Department of Veterans Affairs
- Mr. Robert Book, U.S. Marine Corps (Ret.), Military Veterans Coalition of Indiana
- Mr. Carl Edwards
- Mr. Rick Hahn, Military Officers Association of America
- Mr. David Havelly, Adjutant and Quartermaster of the Indiana Department of the Veterans of Foreign Wars
- Mr. Dick Loney
- Mr. Ron Martin, Chairman, Indiana Veterans Coalition
- Mr. Don Myers, U.S. Marine Corps (Ret.)
- Mr. Keith Ray
- Mr. Steve Short
- Mr. Dene Stratton, Indiana State Committee for Employer Support of the Indiana National Guard and Reserve